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HONDURAS

BY W. S. VALENTINE,

President of the New York and Honduras Rosario Mining Co., New York City.

Honduras, a country of scarcely half million population, in a territory covering some fifty thousand square miles, with the only safe ports on both the Atlantic and Pacific, between Panama and Mexico, has remained *in statu quo*, practically since its independence, because from a capitalist's standpoint, it has not been "on the map." The main causes of this have been:—

(a) Its internal and internecine struggles, very much exaggerated, but sufficient to preclude it as a field for investment.

(b) Its enormous foreign debt, created in 1864 in London and as stated by the Select Committee of Parliament, London, 1872, "Born in the Cardinal Sin of, and carried out by, our own people in the same Cardinal Sin." This debt with interest now reaches over \$125,000,000.00. Although many attempts at settlement have been made, it has never been accomplished, and until it is, the credit of the country will be *nil*. Here is an excellent opportunity for capital.

Government Needs. In spite of its heavy burdens, the government has managed to scrape along, paying its way in its internal budget. The eight years of political quiet, and the enlightened statesmanship of its youthful President, Dr. F. Bertrand, have assisted materially in its fiscal progress. The government really needs no direct financial help.

The flexible silver basis is a serious problem, and "capital" will have to find a way for the introduction of the gold standard. This will come when its great natural wealth is fully appreciated.

Railroads. The heavy debt of the country was created for railroad purposes. The country has never received anything for it, except a badly built 37 miles of road. Since then practically no construction has been attempted. There are a few banana roads, built by private corporations. Railroads are a prerequisite of the country; they are what is needed for the development and extraction of the vast latent riches. The government will grant most liberal franchises to American capitalist's constructing them. A line for an interoceanic road has been found feasible. It would be about two hundred miles long. This road would run from the magnificent Bay of Puerto Cortes, on the Atlantic, to the Gulf of Fonseca, on the Pacific. It would not only be a success financially, but is of imperative necessity to the government of the United States, since it has now virtually obtained control of the Gulf of Fonseca for

a naval and coaling station through the recent Bryan-Chamorro Treaty, signed with Nicaragua.

Various Loans. There are no specific requirements for loans of general character. Honduras requires development by the investment of capital. Thus development of the latent wealth will follow.

The climatic conditions are such as to allow everything in the agricultural line to be raised, from beans to cotton and wheat. The great forests of mahogany and cedar, of pine, oak and all building lumber are virgin, and grazing lands for cattle exist by the mile. The rivers are rich in gold while veins of ore are abundant in gold, silver, copper and iron, awaiting development. The laws of Honduras are very liberal for the immigrant.

The commercial interests are in the hands of a few foreigners. The "zone of commercial influence" has been the standard of England for many years, but in recent years, strongly fought by the Germans, while the American manufacturer has been dormant.

The credit on long terms is one that must be appreciated by the American manufacturer. The risk is minimum and in forty years of experience, only one failure has been noted. American goods have met with great favor since the war, and the field is now open for permanent trade; it can be held if the two salient points are considered, *i.e.*, credit and proper packing.

There is a large field for banking institutions as at present but one bank of any importance is in operation. It has only recently been established, the interests being mixed Hondurenian and American capital, and it is doing a flourishing business.

NICARAGUA

BY W. L. SAUNDERS,

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Nicaragua is the largest republic of Central America, its area being about equal to that of the state of New York. Columbus discovered Nicaragua in his fourth and last voyage. European settlers are known to have located there before the era of immigration to the United States, yet the country has never been developed, its natural resources remaining in a virgin condition, except in the coffee industry, which has not yet been extended to the limit of its possibilities. Thousands of acres of good coffee raising land exist in the highlands, where the natural conditions are favorable for raising high grade coffee, yet these lands remain uncultivated. Coffee production on a large scale requires capital for the purchase